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November 19, 2004

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street, SW, Room TWB-204
Washington, DC 20554

Re: Notice of Written Ex Parte Communication, In the Matter of Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers, CC Docket Nos. 04-313 and 01-338

Dear Ms. Dortch:

The Bells have recently provided the Commission with data that purports to identify the number of "fiber-based collocations" in individual wire centers in their operating territories. It is important for the Commission to understand, however, that the information presented is likely to create a misimpression as to the number of competitive carriers that are collocated in those offices.

As MCI pointed out in a recent *ex parte*, there is a difference between the number of fiber-based *collocators* and the number of fiber-based *collocation arrangements* in an ILEC office.[1] There are numerous reasons why a *single* carrier may have *multiple* collocation arrangements (*i.e.*, cages) in an ILEC wire center. For example, one carrier may have acquired collocations from another carrier as the result of a merger or acquisition, or adjacent space may not have been available when a collocator needed to expand its existing capacity in an office.

In AT&T's experience, the existence of multiple cages in one ILEC office is quite common. In fact, AT&T operates two (and sometimes as many as three) collocation cages in over 25% of the ILEC wire centers where it has deployed facilities-based collocations.

[1] Letter from Alan Buzzacott, MCI to Marlene Dortch, dated November 10, 2004, n.4.

Accordingly, the Bells' data on the number of "fiber-based collocations" is not an accurate indicator of the number of *carriers* that have established collocations in any individual wire center. Thus, the Commission should view the Bells' data with caution.

Furthermore, a regression analysis of the data on wire centers and collocations provided by Qwest and BellSouth (the only Bells that made their data practically available for such a review) demonstrates that there is a low correlation between wire center size and the number of collocators in a wire center. Specifically, the analysis shows that the correlation coefficient for the relationship between wire center size and the number of collocations was .35 for Qwest and .60 for BellSouth. This means that 65% of the variation in the number of collocators for Qwest and 40% of the variation for BellSouth was *unexplained* by wire center size.[2] When combined with the errors inherent in the Bells' data that show the number of collocation cages rather than the number of collocated carriers, this makes the Bells' data effectively useless for the purpose of predicting the number of collocators based on wire center size.[3]

In accordance with Commission rules, I am filing one electronic copy of this notice and request that you place it in the record of the above-referenced proceedings.

Sincerely,

Joan Marsh

cc: Jeremy Miller; Russ Hanser; Ian Dillner

[2] The standard error of the estimated number of collocators in a wire center is about ± 2 for each company.

[3] In addition, Qwest's data add further likelihood of error by excluding all but its own retail switched business lines in presenting the number of business lines per wire center (excluding UNE-P, UNE-L and TSR lines), which has the effect of "shrinking" the size of a wire center.